



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 6, 1999

**MEMORANDUM**

**TO:** Robert J. Costa  
Assistant Staff Director  
Audit Division

**THROUGH:** James A. Pehrkon  
Staff Director

**FROM:** Kim Bright-Coleman *UPC*  
Associate General Counsel

**SUBJECT:** MURs 4395, 4480, 4545 and 4669 – Complaint-Generated Enforcement  
Matters Involving Clinton/Gore '96 Committees

The Office of General Counsel is preparing a First General Counsel's Report addressing four complaint-generated Matters Under Review ("MUR"s) that involve allegations of violations by the Clinton/Gore '96 Primary Committee, Inc. ("Primary Committee") and the Clinton/Gore '96 General Committee, Inc. ("General Committee") as well as other respondents. A draft of the report is attached; however, please note that this is not a final draft and has not been approved for submission to the Commission.<sup>1</sup> We request that the Audit staff review the draft report for accuracy and consistency with the audit.<sup>2</sup> While we understand that the Audit staff's review of the Committees' records, disclosure reports and other documentation during fieldwork did not

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<sup>1</sup> Although the complaints in these matters were filed in 1996, these matters were held in abeyance pending completion of the audits of the Primary Committee, General Committee and the Clinton/Gore '96 General Election Legal and Accounting Compliance Fund ("GELAC"), and were activated on February 10, 1999. The audit reports were approved on June 3, 1999.

<sup>2</sup> In a meeting on November 24, 1997, staff of this Office and Audit staff agreed that the Audit staff would review transactions related to these matters during audit fieldwork, including expenditures related to a campaign train trip through several states (the "Train Trip"), reimbursements to consultant Richard Morris, the payment and reporting of expenditures for travel by government conveyance, and any events or contributions that may have been related to an international trip. Although the Audit staff provided this Office with some documents related to these issues, it does not appear that the Audit staff reviewed all of these transactions. For example, the Audit staff recently informed us that the Train Trip was not selected for review during the sample review of expenditures, and the Audit staff did not request a list of passengers on the Train Trip from the Primary Committee. While preparing the First General Counsel's Report, staff of this Office also informally requested information from Audit staff, and the information provided by the Audit staff is included in the Report.

reveal any material noncompliance related to the violations alleged in the complaints, we request any information you may have about any non-compliance related to the alleged violations that did not rise to a material level. Moreover, we request the Audit Division's assistance with several issues in three of the matters, as discussed below.

MUR 4545 involves allegations that the cost of the candidate's train trip through several states to the Democratic National Convention in August 1996 (the "Train Trip") was not properly allocated and that the Primary Committee received excessive or prohibited contributions from railroads and several government entities. We request that the Audit Division review the expenditures related to the Train Trip to determine whether the allocation of the costs between the Primary Committee and the other contracting entities was proper, based on the information provided in the complaint and responses, as well as disclosure reports and documents provided during audit fieldwork. This review should include verification of the expenses the Primary Committee contends it incurred related to the Train Trip, and an assessment of the proper amounts of Secret Service payments and press reimbursements.<sup>3</sup>

MUR 4480 involves allegations of non-qualified campaign expenses related to the Primary Committee's reimbursement payments to consultant Richard Morris for travel and subsistence. We request any information the Audit staff may have concerning the disputed reimbursements which the Primary Committee has not paid to Mr. Morris.

Finally, MUR 4669 involves allegations that the Committees did not properly pay for or report expenditures for travel by Air Force One and other government conveyance. We request any information you may have concerning noncompliance in the Committees' payment or disclosure of expenditures related to government travel. In addition, we request the total amounts paid by the Committees and the Democratic National Committee for travel by government conveyance, the amounts that were counted against the primary and general overall expenditure limitations for these kinds of expenditures, and the total amounts reported by the Committees and the Democratic National Committee for travel by government conveyance.

We appreciate your assistance with this matter. If you have any questions or need any additional information, please contact Delanie DeWitt Painter, at extension 1650.

Attachment

Draft First General Counsel's Report

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<sup>3</sup> For example, the amount the Primary Committee paid to Amtrak is unclear – the Audit staff provided copies of checks to this Office in the amounts of \$113,237 and \$15,000, but the Primary Committee contends it paid \$161,702.